

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 668-02
Bill No.: Perfected HB 202
Subject: Political Subdivisions: Transportation Districts
Type: Original
Date: March 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0 to unknown	\$0 to unknown	\$0 to unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to unknown	\$0 to unknown	\$0 to unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0 to unknown	\$0 to unknown	\$0 to unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Revenue officials assume if districts were formed not using current boundaries, the DOR would need to modify the MITS system to create a “shape” file for the boundaries of each of these districts. It is estimated that 381 hours of programming would be needed at a cost of \$13,027, and State Data Center implementation costs for testing would be \$2, 478. This proposal also allows for an increase in the amount of sales tax that can be imposed, from a maximum of one percent to a maximum of one and one-half percent. DOR officials assume if an existing district that was running a 1% sales tax were to receive approval to impose an additional ½ % the State would receive additional revenue for the State’s General Revenue Fund, from a 1% collection fee. The amount of revenue would be unknown.

Oversight assumes this proposal amends certain formation procedures of certain transportation districts and does not amend current law with regards to boundaries of districts, therefore Oversight assumes costs submitted by DOR would not be applicable. The maximum sales tax that a district could impose has been increased from one percent to one and one half percent. Therefore, Oversight assumes that should voters within an established district approve an increase in the sales tax rate to the new maximum, the DOR would collect additional revenues generated by the 1% collection fee. Because it is not known that an existing district would receive voter approval to increase their sales tax rate, Oversight will show fiscal impact to the State’s General Revenue Fund from the additional revenue that might be generated from the 1% collection fee as \$0 to unknown. Transportation Districts, (Local Government) fiscal impact will also be shown a \$0 to unknown. The potential exists for additional revenues should the voters approve a new sales tax rate.

Department of Transportation officials assume no fiscal impact to their department.

Officials of the Cities of **Kansas City, St.Charles, and Springfield** assume there would be no fiscal impact from this proposal.

FISCAL IMPACT - State Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

General Revenue Fund

WB:LR:OD (12/00)

FISCAL IMPACT - State Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

Income to DOR

from 1% collection fee *

\$0 to unknown

\$0 to unknown

\$0 to unknown

*** Oversight assumes this proposal is permissive, however should an existing transportation district receive voter approval to increase their sales tax rate to the new rate allowed by this proposal the DOR would have an increase in revenue from a 1% collection fee.**

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

Income to Certain Transportation

Development Districts

from additional revenue due to sales tax *

\$0 to unknown

\$0 to unknown

\$0 to unknown

*** Oversight assumes that an increase in revenue would require voter approval. This proposal does not mandate a sales tax increase.**

FISCAL IMPACT - Small Business

Small business located within an existing transportation district that would receive voter approval to increase the sales tax rate to the new maximum allowed by this proposal would be fiscally impacted to the extent that they would pay an additional sales tax.

DESCRIPTION

This bill allows all property owners in a transportation development district to cast their ballot by unanimous petition approving any measure submitted to them as voters, if all such owners joined in the petition for formation of the district. When a procedure is used where no eligible registered voters reside within a district, the court may call a meeting for the purpose of electing directors without publication, if all real property owners joined in the petition for formation of the district.

The sales tax for a transportation district may be imposed in increments of one-eighth of one percent up to a maximum of one and one-half percent on all retail receipts. Currently, the sales tax may be imposed in increments of one-eighth of one percent, one-fourth of one percent,

DESCRIPTION (continued)

three-eighths of one percent, one-half of one percent, or one percent.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Department of Revenue
Kansas City Manager's Office
City of St.Charles
City of Springfield

NOT RESPONDING:

Bi-State Development Agency, Jackson County Executive, and the Kansas City Area Transit Authority



Jeanne Jarrett, CPA
Director
March 5, 2001